



V20 Ministerial Communiqué
Ministerial Dialogue IV of the Vulnerable Twenty (V20) Group
23 April 2017 – Washington, DC

ADOPTED

The V20 countries are both the world's most vulnerable economies and the most promising ones in terms of growth potential. That potential, along with our and other countries' very existence, is threatened by climate change. Faced with this challenge and a tremendous urgency for climate action, all financial flows, including those of multilateral development banks, should be aligned with the Paris Agreement, the 1.5 degrees Celsius temperature limit, and our members economies' 100% renewable energy vision in support of sustainable development.

Insufficient resources for climate protection will only create economic instability. Investing in climate action, by contrast, is critical to inclusive development, job security and economic growth. This is an opportunity not just for the V20 economies but for the global economy as well.

The V20-G20 dialogue, initiated today, is an important engagement tool in that regard; one that highlights how climate action is mutually beneficial to different economies. We need to pursue and deepen this engagement with a spirit of international partnership along commonly held goals. It is time to act strategically to advance truly transformational programs that redesign nothing less than the investment agenda of the world economy.

V20 Activities

1. We welcomed and confirmed five new V20 members and designated the Marshall Islands as the future Group Chair from October 2018.
2. Towards the realization of the V20 Action Plan, members have begun efforts to mobilize a significantly higher level of financial resources for member climate action by 2020, commencing with a first Regional Consultation for the Asia-Pacific, held at Manila, Philippines on 8-10 March 2017. Further consultation efforts are planned, including the V20 Regional Consultations for the Caribbean and Latin America (July 2017) and Africa and the Middle East (September 2017).
3. We have decided to establish a Task Force of independent experts to assess the financial requirements for climate action consistent with the Paris Agreement, with a view of delivering maximal resilience and low carbon development consistent with the 1.5° Celsius limit.
4. The V20 Focus Groups on Advocacy and Partnerships, Climate Accounting and Risk convened in November 2016 at Marrakech, Morocco and in March 2017 at Manila, Philippines.
5. We thank the Asian Development Bank, the United Nations Development Programme and the World Bank Group for its involvement in the V20 Regional Consultations to-date and encourage broad cooperation with Regional Multilateral Development Banks in the V20 Action Plan.
6. Further to the 2017 V20 Disaster Risk Financing Workshops, we request the World Bank to provide V20 members with capacity building and financial support to develop their institutional capacity as a part of their broader **fiscal risk management** agenda and to provide financial and technical support to implement the activities of the V20 Focus Group on Risk.

7. We endorsed the Framework Document for the Global Preparedness Partnership, and resolved to form a sub-committee to oversee its operationalization together with key partners.

Climate Finance

8. V20 Members continue to pursue ambitious climate action and to pioneer innovation in climate change financing with leading global examples in renewable energy access, ecosystem services and micro-insurance solutions that have changed lives and expanded sustainability at scale.
9. We urge the G20 countries to deliver their long-term low-emissions development strategies before 2020, and call on them to deliver ambitious climate change action as part of the G20 outcome in July. Pulling resources from climate protection will create economic instability. Investing in climate action is necessary and critical to inclusive development and economic growth.
10. In a significant step, we have resolved to establish a technical committee to develop **multi-country financing initiatives** towards the advancement the V20 Action Plan and its aim of attaining a significant increase in climate investment in V20 countries through the member driven application of financial innovations in collaboration with our wide-ranging partners while leveraging finance in all its forms.
11. Challenges and difficulties in **accessing international climate change finance** persist and continue to hold back the realization of national climate actions in vulnerable developing countries. Delivering the Paris Agreement will require financial flows to increase in both scale and predictability.
12. We welcome the Roadmap presented by developed countries outlining a pathway to achieving their \$100 billion per year joint climate finance mobilization target, which is the collective responsibility of all the developed countries to deliver on. We look forward to further clarification on the extent to which the Roadmap's contributions will provide new and additional resources.
13. We emphasize the criticality of the \$100 billion commitment and the need to significantly **upscale concessional financial means via Multilateral Development Banks** for achieving transformational change in line with the Paris Agreement and its objective of limiting warming to no more than, if not well below, 1.5° Celsius.
14. We reaffirm the need to increase prioritization of **adaptation finance** to ensure a 50:50 balance of finance for adaptation and mitigation by 2020, calling for continued scaling up of financial support in a balanced manner. We welcome those developed countries that have already achieved, or are nearly at, a 50:50 balance in their international climate change finance contributions between adaptation and mitigation. Today, these countries include Belgium, Germany, Ireland, Netherlands, Sweden and Switzerland, but we believe more can join them and we will celebrate those who do.

Financial System

15. We welcome the recommendations from the **Financial Stability Board** Task Force on Climate-related Financial Disclosures, while highlighting that the compatibility with the 1.5° Celsius limit should be an integral part of what these disclosures address.
16. We reaffirm the V20's interest to engage in discussion and collaborate towards the effective implementation of the Task Force recommendations, as well as to work with UNEP Inquiry to further study the development policy implications of green finance and the Task Force's recommendations.
17. We call for market distorting **fossil fuel production subsidies** to be removed immediately and no later than 2020, and urge the G20 to set such a clear timeframe for fossil fuel subsidy elimination. Fossil fuel **consumption subsidies** need to be checked rigorously whether they provide an actual benefit to the poor, and subsequently should be replaced worldwide without harm to those relying on them for their basic energy needs.
18. We call on the G20 to lead with the V20 in a drive towards ensuring all emissions are subjected to **carbon pricing**.

19. Further to the V20 commitment to work to put in place carbon pricing mechanisms by 2025, we highlight the progress made by a number of members towards this end, and call for additional support from International Financial Institutions to assist the efforts of members in this respect.
20. We agreed to continue to expand the dialogue with the G20 and our advocacy with international financial institutions. We shall reconvene in an expanded format in October 2017 in conjunction with the Annual Meetings of the International Monetary Fund and World Bank Group and will assure the economic and financial preparation of the 2018 Summit of the member states of the Climate Vulnerable Forum in conjunction with relevant government and other partners.

The Vulnerable Twenty Group of Ministers of Finance

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